

## UTILITIES SERVICE BOARD MEETING

February 21, 2005

UTILITIES SERVICE BOARD MEETINGS ARE RECORDED ELECTRONICALLY OR STENOGRAPHICALLY AND ARE AVAILABLE DURING REGULAR BUSINESS HOURS IN THE OFFICE OF THE DIRECTOR OF UTILITIES.

Board President Swafford called the regular meeting of the Utilities Service Board to order at 5:00 p.m. The meeting was held in Conference Room 100B at the Indiana University Research Park at 501 North Morton Street in Bloomington, Indiana.

Board members present: Tom Swafford, Tim Henke, Jacqui Bauer, Dick Eherenman, Jeff Ehman, Sam Vaught, and ex-officio member Tom Micuda. Staff members present: Patrick Murphy, John Langley, Mike Bengtson, Jane Fleig, Tom Staley, Steve Saulter, Mike Hicks, and Penni Sims. Also present: Mark Menefee representing Indiana University, Ben Beard representing Gentry Development, Greg Knott, Alisa Brown, and Margaret Fette. (A copy of the sign-up sheet is attached to the minutes.)

Before the start of the business meeting, Board President Swafford announced that Alisa Brown accepted a position with the City of Bloomington and resigned her membership on the Utilities Service Board. Ms. Brown stated that she enjoyed working with other members of the Board and was sad that she could not continue her membership. Board President Swafford stated that Ms. Brown was an excellent member of the Board and that she would be missed.

### MINUTES OF PREVIOUS MEETINGS:

Utilities Director Murphy requested that the following change be made in the minutes as presented:

Page 3, next to last line, delete the word "House" and add the word "Senate"

Board member Ehman requested that the following changes be made in the minutes as presented:

Page 1, third paragraph, line four, delete the word "Gill" and add the word "Ginn"

Page 1, third paragraph, line 6, insert closing parenthesis between the word minutes and the period.

Page 4, under Old Business, section for Mike Bengtson, last line, delete the words "discuss the pricing" and add the words "negotiate parts and/or service prices from suppliers or contractors"

The requested changes were made by the Secretary.

EHMAN MOVED AND HENKE SECONDED THE MOTION TO APPROVE MINUTES FOR THE FEBRUARY 7, 2005, MEETING AS AMENDED. MOTION CARRIED. 6 AYES.

### CLAIMS:

Board member Vaught requested information regarding claim nos. 0590249 and 0530145. Assistant Director Saulter will obtain the requested information and report back to Mr. Vaught.

HERENMAN MOVED AND EHMAN SECONDED THE MOTION TO APPROVE THE CLAIMS AS FOLLOWS:

CLAIMS 0590190 THROUGH 0590292 INCLUDING \$280,253.76 FROM THE WATER OPERATIONS & MAINTENANCE FUND AND \$315.00 FROM THE WATER SINKING FUND FOR A TOTAL OF \$280,568.76 FROM THE WATER UTILITY; CLAIMS 0530115 THROUGH 0530149 INCLUDING \$374,229.12 FROM THE WASTEWATER OPERATIONS & MAINTENANCE FUND FOR A TOTAL OF \$374,229.12 FROM THE WASTEWATER UTILITY; AND CLAIMS 0570017 THROUGH 0570021 INCLUDING \$26,938.97 FROM THE WASTEWATER/STORMWATER FUND FOR A TOTAL OF \$29,938.97 FROM THE WASTEWATER/STORMWATER UTILITY. TOTAL CLAIMS APPROVED – \$681,736.85.

OLD BUSINESS:

No old business was presented.

NEW BUSINESS:

No new business was presented.

SUBCOMMITTEE REPORTS:

Engineering Subcommittee –

Board President Swafford reported that the Engineering Subcommittee met on February 17, 2005, to consider the appeal of sewer connection denial by Beazer Homes. Subcommittee members felt they needed more information and more time to review the correspondence received from Mayor Kruzan. The matter was continued and will be heard in approximately two weeks. Along with the Beazer appeal, the appeal of Gentry Development will be heard, and the correspondence from Mayor Kruzan will be reviewed.

Finance Subcommittee –

Subcommittee Chairman Vaught reported that the Finance Subcommittee met on February 18, 2005, to hear an updated report from Crowe Chizek. The report that was presented by John Skomp of Crowe Chizek was not updated. It was the same information that was presented previously. Mr. Vaught and other members stated that they felt that there was a lack of cooperation in this matter. Mr. Skomp stated he had been working with the Administration on this matter, but it was questioned if the Administration meant the City Administration or the Utilities Department Administration. Subcommittee members and other Board members felt that there has not been sufficient cooperation in informing both the Board members and members of the general public. The Finance subcommittee was presented information by Vicki Renfrow relating to the current shortfalls in financing. Ms. Renfrow stated that the Utilities Department is currently facing another short term financing package to cover that shortfall. This will leave the Department with approximately \$4.5 million in capital projects currently being financed with short term BAN's. The Finance subcommittee is very disturbed that this has been allowed to happen two times in just a couple of years. It is felt that if communication were better, the Board would not have been supportive of the utility spending in excess of the funding level and would have taken steps to change the

scope and work within the Department's financial means. The current method of the Board receiving piecemeal information with the assumption that the funding is available has obviously caused problems and needs to be changed. The Finance subcommittee is resolute in demanding that better information must flow through to the board for us to make decisions. It is hoped that the lack of cooperation will not continue into the future.

#### STAFF REPORTS:

##### Mike Bengtson –

Assistant Director Bengtson presented Board members with both chronological and location lists of the overflows for 2003 and 2004. Board members are advised to contact Mr. Bengtson with any questions.

##### Steve Sauter –

Assistant Director Sauter informed Board members that the Accounting Department has been researching the matter of using credit cards to pay utility bills. Information has been gathered on this and will be presented to members at the next Finance Subcommittee meeting. This matter would then be brought before the entire Utilities Service Board for approval.

#### PETITIONS AND COMMUNICATIONS:

##### Ben Beard –

Ben Beard represents Gentry Development and stated that his recent request for sewer connection to his development was denied. The matter was discussed at an Engineering Subcommittee meeting but was tabled until Board members received information from Mayor Kruzan along with a copy a map for future consideration in sewer approvals. Mr. Beard further informed Board members that the Monroe County Commissioners recently approved his use of a package plant for the development if sewer connections are denied by the Utilities Service Board. The Monroe County Regional Sewer District has agreed to manage the plant after the construction. Mr. Beard feels that the City of Bloomington Utilities Department is a monopoly. He also feels that the Utilities Department is being used as an enforcer in a political scheme by the City of Bloomington. Mr. Beard asked if the final decisions were made by the Mayor of the City of Bloomington or by the Utilities Department. Board members were invited to participate in a Monroe County wastewater task force meeting at the Monroe County Library on March 1, 2005. The presentation will be made by Scott Dompke of GRW.

##### Tom Swafford –

Board President Swafford stated that the final decision regarding the approval or disapproval of sewer connections lies with the Utilities Service Board and not with politicians.

##### Patrick Murphy –

Utilities Director Murphy inquired if Ben Beard's development had received a final denial of sewer connection by the Utilities Service Board or if it were still being considered.

Tom Swafford –

Board President Swafford reported that this matter is still on the table but would be reviewed at the next Finance Subcommittee meeting.

Margaret Fette –

Margaret Fette thanked Board members for letting the public know about the current financial issues facing the Utilities Service Board. Ms. Fette feels that the Beazer Homes sewer connection should be approved and also feels that the development does have an economic value to the City. Ms. Fette feels that the Utilities Department should serve both City and County residents, and she urged the Board members to take the sewer connection decisions back from the politicians

Tim Henke –

Board Vice President Henke reported that at the Finance Subcommittee on February 18, 2005, the members were promised that they would receive information from City Attorney Renfrow regarding the financial matters. This information was not received. Mr. Henke asked why. Mr. Henke was informed that City Attorney Renfrow was ill but that the information would be presented as soon as she recovers.

ADJOURNMENT:

The meeting was adjourned at 5:51 p.m.

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L. Thomas Swafford, President